# Internal Revenue Service, Treasury

principles illustrated in paragraph (e)(2) of examples 3, 4, and 5 of this paragraph.

[T.D. 6500, 25 FR 11814, Nov. 26, 1960, as amended by T.D. 6832, 30 FR 8575, July 7, 1965; T.D. 7084, 36 FR 268, Jan. 8, 1971; T.D. 8586, 60 FR 2500, Jan. 10, 1995; T.D. 8847, 64 FR 69915, Dec. 15, 1999; T.D. 9137, 69 FR 42559, July 16, 20041

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- [T.D. 8380, 56 FR 66350, Dec. 23, 1991, as amended by T.D. 9207, 70 FR 30342, May 26,

# § 1.752-1 Treatment of partnership liabilities.

- (a) *Definitions*. For purposes of section 752, the following definitions apply:
- (1) Recourse liability defined. A partnership liability is a recourse liability to the extent that any partner or related person bears the economic risk of loss for that liability under §1.752–2.
- (2) Nonrecourse liability defined. A partnership liability is a nonrecourse liability to the extent that no partner or related person bears the economic risk of loss for that liability under §1.752–2.
- (3) Related person. Related person means a person having a relationship to a partner that is described in §1.752–4(b).
- (4) Liability defined—(i) In general. An obligation is a liability for purposes of section 752 and the regulations thereunder (§1.752–1 liability), only if, when, and to the extent that incurring the obligation—
- (A) Creates or increases the basis of any of the obligor's assets (including cash);
- (B) Gives rise to an immediate deduction to the obligor; or
- (C) Gives rise to an expense that is not deductible in computing the obligor's taxable income and is not properly chargeable to capital.
- (ii) *Obligation*. For purposes of this paragraph and §1.752-7, an obligation is any fixed or contingent obligation to